

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 17, 2009  
**POSITION:** Oppose  
**SPONSOR:** American College of Obstetricians and  
Gynecologists

**BILL NUMBER:** SB 158  
**AUTHOR:** P. Wiggins

### **BILL SUMMARY:** Health Care Coverage: Human Papillomavirus Vaccination

Under current law, the Department of Managed Health Care (DMHC) and the Department of Insurance (DOI) are responsible for the licensure and regulation of health care plans and insurers, respectively.

This bill would require health care plans and insurers that provide coverage for cervical cancer treatments and surgeries to also cover the Human Papillomavirus (HPV) vaccine.

### **FISCAL SUMMARY**

The DMHC indicates this bill would result in an estimated one-time cost of \$43,000 to develop regulations for implementation. Costs to the DOI would be minor and absorbable.

### **SUMMARY OF CHANGES**

Amendments to this bill since our analysis of the Original version are minor and do not alter our position.

### **COMMENTS**

Finance is opposed to this bill for the following reasons:

- This bill creates a new health care coverage mandate that would increase health care costs. Although the estimated costs to the state would be relatively minor, Finance notes concern that creating this statutory requirement could lead to more costly coverage requirements in the future, and may lead to the presumption that a condition or treatment must be specified in law to be covered.
- According to the California Health Benefits Review Program analysis of this bill, an estimated 99.5 percent of health plan enrollees currently have coverage for HPV vaccination. Therefore, Finance believes this bill is duplicative of current practices of health plans. We note the bill does, however, impose a new coverage mandate on insurers, which will increase premium costs to an unknown extent.
- AB 16 (Evans, 2008) which was nearly identical to this bill was vetoed by the Governor. The veto message stated: "California currently has 44 mandates on its health care service plans and health insurance policies. While these mandates are well-intentioned, the costs associated with guaranteed coverage means that these costs are passed through to the purchaser and consumer. These mandates are a significant driver of cost. Every day, a growing number of employers and individuals are struggling to pay for their health care. We cannot afford to increase these costs without enacting other measures that improve efforts aimed at prevention, address affordability of care and share responsibility between individuals, providers, employers, and government."

Analyst/Principal (0761) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

<b>BILL ANALYSIS</b>	Form DF-43 (Rev 03/95 Buff)
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## AUTHOR

AMENDMENT DATE

**BILL NUMBER**

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P. Wiggins

June 17, 2009

SB 158

		SO	(Fiscal Impact by Fiscal Year)							
Code/Department	LA	(Dollars in Thousands)								
Agency or Revenue	CO	PROP								Fund
Type	RV	98	FC	2008-2009	FC	2009-2010	FC	2010-2011		Code
2400/MngedHltCare	SO	No		--	C	\$43		--		0933
0845/Insurance	SO	No		----- No/Minor Fiscal Impact -----						0217
<u>Fund Code</u>	<u>Title</u>									
0217	Insurance Fund									
0933	Managed Care Fund									